



# The Real Facts

A Critical Analysis of the Bush Administration's Claims on CAFTA  
Prepared by the Democratic Staff of the Ways and Means Committee

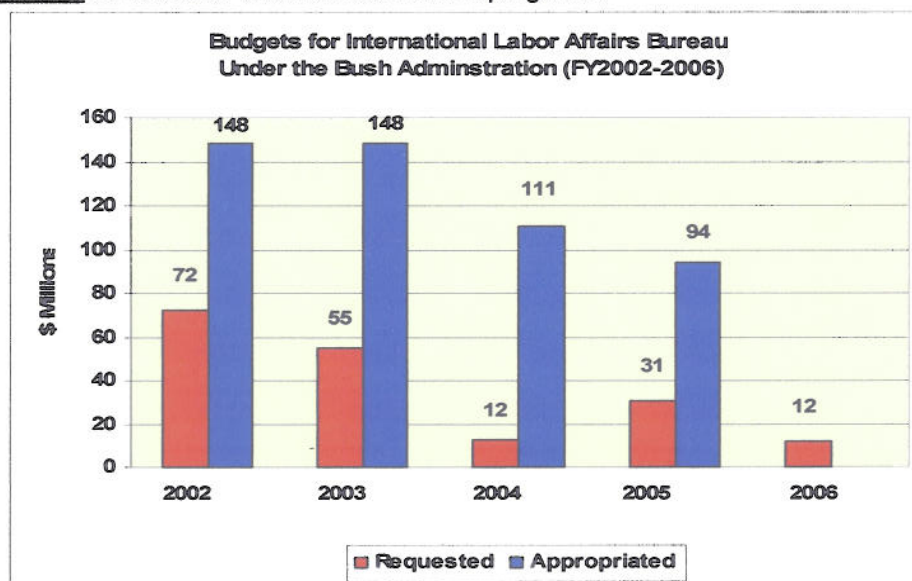
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## CAFTA and Technical Assistance: The Bush Administration's Dismal Record

**PROMISES:** The Bush Administration promises that it will provide funding to the CAFTA countries to "build the capacity to enforce labor laws."

**REALITY:** The Bush Administration's rhetoric rings hollow. Each year since taking office, the President has proposed massive and crippling cuts to budget for the International Labor Affairs Bureau (ILAB), the agency that is primarily responsible for providing such technical assistance.

- This year, President Bush has proposed cutting ILAB's funding by 87% – from \$94 million to \$12 million. According to the President, the FY2006 budget "returns the agency to its original mission of research, analysis and advocacy" – demonstrating that the Administration supports eliminating ILAB's labor technical assistance programs.



- **President Bush's five budget requests have proposed funding cuts for ILAB of more than 50%.** In two of those years, the President's requests of \$12 million would have nearly eliminated all of ILAB's multilateral and bilateral programs aimed at strengthening the capacity of developing countries to enforce their own labor laws and improve them to meet international labor standards.
- **Democrats in Congress, not President Bush, have ensured funding for international programs on workers' rights.** Each year of the Bush Administration, Congress, at the initiative of Senator Tom Harkin (D-IA) and other Democrats, has been forced to recommit funds to ILAB that were slashed by the President's budget. For the past four years, Congress has more than doubled the President's requests for the agency.
- **FY2005 exemplifies the Administration's lack of interest in funding labor technical assistance programs.**
  - **No funding was provided in FY05 for ILAB's programs promoting workers' rights and safety.** Almost all of ILAB's budget was spent on child labor programs.
  - Funding for ILAB's monitoring and reporting on U.S. trading partners' labor laws and practices was cut in half in FY05, from \$5 million to \$2 million.
  - In its FY05 Report on the Labor, HHS Appropriations bill, the Senate Appropriations Committee stated that it was "mystified by the Department's annual effort to eliminate . . . [child labor] programs."
- **The Administration even has diverted funds appropriated by Congress for labor technical assistance.** Last year, the Senate Appropriations Committee reported that the Administration diverted \$8 million of ILAB's FY03 funding for programs on workers rights and safety in order to build two employment centers in Iraq. The Committee stated that "ILAB went outside the scope of congressional approval by diverting funds from the multilateral and bi-lateral technical assistance programs to gain additional funding" for reconstruction.
- **The Administration has continued its empty and misleading rhetoric with regard to labor technical assistance in the CAFTA countries:**
  - As evidence of its "commitment" to providing funding for labor improvements in the CAFTA countries, the Bush Administration points to a **\$20 million grant** Congress included in the FY05 Foreign Operations Appropriations Act for labor and environmental initiatives. The Administration has not yet been determined how much of this funding will be allocated to labor initiatives or what type of labor initiatives will be funded (e.g., worker training versus improvement of labor laws). Further, it is only **a one-time appropriation** from Congress and provides no assurance that the Bush Administration is committed to funding such initiatives in the future.
  - **U.S. funding for labor technical assistance in the CAFTA countries has barely increased from what was being spent in 1999** - long before the United States began free trade agreement negotiations with the region.
  - CAFTA creates a Labor Cooperation and Capacity Building Mechanism, but does not guarantee its funding. With the Bush Administration's track record, there is little reason to believe the Administration permanently will allocate appropriate funds for the mechanism.